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USAID/W FOR DCHA/OFDA FOR HAJJAR, HALMREST-SANCHEZ,
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NAIROBI FOR DCHA/OFDA/ARO FOR RILEY, MYER AND CHIKODZORE
REDSO/ESA/FFP FOR SENYKOFF
GENEVA PLEASE PASS TO UNOCHA, IFRC
PRETORIA FOR USAID/DCHA/FFP FOR DISKIN
DCHA/OFDA FOR BRYAN AND MUELLER, AND FAS FOR HELM
ROME PLEASE PASS TO FODAG

E.O. 12958: N/A

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SUBJECT: ZIMBABWE AGRICULTURAL OUTLOOK FOR 2002/03 SEASON

Summary

1. As of mid-November, rainfall has been slightly below normal over most of the country. If the rains persist, those farmers that have already planted could reap good harvests. Although those farmers that have not yet planted can still reap good harvests, they will have less flexibility to adjust their planting strategies in response to any adverse weather or other conditions. Generally, seed availability is "patchy", depending on the type and location of the demand. The recent increase in seed prices has also reduced the amount of seed that farmers can afford. In addition to seed availability, other constraints to agricultural productivity include fuel, tillage and fertilizer shortages, farm labor and financing constraints, the developing El Nino in the Pacific, and a lack of market incentives. While some commercial farmers have been able to plant this year, large areas of prime farmland remain idle. USAID/DCHA/OFDA supports several programs in Zimbabwe to improve food security and expedite agricultural recovery, but partner NGOs are also feeling the effects of the shortages. Although still too early for accurate projections, the consensus outlook is for another sub-standard harvest in April 2003. The agriculture situation in Zimbabwe needs constant monitoring as the final outcome will determine the food security situation and additional assistance needs for 2003. End Summary.

Climate

2. On October 4, the Government Meteorological Department (MET) issued a slightly revised forecast for the 2002/03 season from the September Southern Africa Regional Climate Outlook Forum (SARCOF) prediction. For the period October 2002 to December 2003, the revised MET forecast calls for normal to below normal rainfall for the entire country (as opposed to the earlier SARCOF forecast which split the country into northern and southern sections, with slightly more optimistic projections for the northern areas). From January to March 2003, all forecasts also call for normal to below normal rainfall throughout Zimbabwe. As of mid-November, rainfall has been slightly below normal (80% of average) over most of the country. If the rains persist, those farmers that have already planted could reap good harvests. Although those farmers that have not yet planted can still reap good harvests, they will have less flexibility to pursue more flexible planting strategies, such as staggering crops, to better accommodate any adverse weather or other conditions.

3. This situation becomes even more critical considering the El Nino phenomenon developing in the Pacific Ocean which generally has a strong effect on rainfall in southern Africa. The most recent information suggests that this is likely to develop into a moderate event during the latter part of this year, which could result in sub-normal rainfall and agricultural drought in certain parts of the country.

Seed Security

4. Following several successive years of adverse conditions, most small-scale farmers have not been able to maintain adequate seed stocks, forcing many to turn to the market for purchase of these essential inputs. Generally, seed availability varies with type and location. While good quantities of maize seed are still available, sorghum,

millet, soyabean, and groundnut seed have been sold out by most major suppliers. However, limited quantities of these seeds are still available in smaller towns in rural areas, as evidenced at recent Catholic Relief Services (CRS) seed fairs. Even with access to seed, the recent increase in seed prices - from 120 to more than 300 percent - has reduced the amount of seed that farmers can afford. The Government of Zimbabwe (GOZ) and the relief community are left to try to make up the deficit.

15. The government has purchased large quantities of seed for delivery to small-scale and resettled farmers. Reports indicate government purchases of 25,000 Metric Tons (MT) of maize seed to date. However, even government admits to significant supply shortages, and having to seek additional requirements from external sources. Combined donor-assistance via the U.N. Food and Agricultural Organization (FAO) and NGOs funded by bilateral donors totals 5,983 MT of maize seed, 2,829 MT of small grains (sorghum/millet) and 1,415 MT of cowpeas seed for some 615,000 beneficiary farmer households to date. Although it is still too early for any accurate estimates, the total maize seed purchased to date (approximately 45,000 MT) is estimated to be able to plant an area of about 1.6 million hectares. At an estimated yield of 0.6 to 0.8 Metric Tons (MT) per hectare, this would yield between 960,000 and 1,280,000 MT of maize, about 50 to 70 percent of the national requirement (1.8 million MT). The relatively low yield factor is based on a variety of additional production constraints discussed below.

OFDA Partner Programs

16. OFDA supports several programs in commercial farming areas of Zimbabwe, but not in areas of resettlement, to improve food security and expedite agricultural recovery. Current OFDA-supported agricultural recovery programs, totaling approximately USD 1.6 million, provide for the provision of mixed seed baskets (maize, sorghum/millet, cowpeas, etc.) to some 200,000 beneficiary farmer households by the NGOs CARE, World Vision and CRS. CARE has managed to secure all of the seed required for its program and is in the process of transporting it to its distribution end-points. World Vision is seeking sorghum and cowpea seed imports from Botswana and South Africa, but has encountered delays due to new GOZ requirements for certification that imported seed is bio-tech free. CRS has just completed its seed fair program, where small-scale farmers use vouchers to purchase seed and other inputs from local and commercial seed vendors. All the NGOs have reported difficulties in obtaining adequate fertilizer (which is not eligible for funding under USG-financed interventions), as have NGOs in neighboring countries.

Production Constraints

17. With delays in oil supply deals and the broader economic downturn, fuel shortages are now recurring throughout the country. Long queues and stock-outs at gasoline stations are becoming commonplace. This has begun to impact on transportation costs in all sectors of the economy, including especially the agricultural sector. At a recent seed fair, several seed vendors and a local NGO helping to conduct the fair were late or didn't show up at all because of the lack of fuel. Even with access to inputs and the capability to plant, commercial farmers are not able to maximize their production potential because of the increasing cost of operating their farm equipment. Within the smallholder and resettlement sectors, livestock destocking and disease outbreaks (principally foot-and-mouth disease) have significantly reduced draught power available for land preparation activities. Expected support from government District Development Fund (DDF) tractors is similarly hampered, with more than half of the DDF tractor fleet disabled due to lack of spare parts and fuel supplies.

18. Other constraints to agricultural production include fertilizer shortages, farm labor and credit constraints, pests, and market disincentives. Low soil fertility in small-scale farming areas needs to be improved by manure and/or fertilizers. Chemical fertilizers are in short supply due to lack of foreign exchange to pay for imported components. Presently, it is estimated that only 50 percent of the requirements are being met. Even NGOs, which paid for fertilizer for their assistance programs weeks ago, report having to wait for it to become available as the planting "window" passes. Moreover, like seeds and fuel, recent increases in the price of fertilizer have also reduced access by many cash-strapped small-scale farmers.

19. In addition to the tillage constraints noted above, farm labor is in short supply due both to the upheavals created by the resettlement program and the ravages of the HIV/AIDS pandemic. Somewhat ironically, the Minister of Social Welfare (July Moyo) acknowledged a lack of skilled farm

labor (presumably for new "model A2"/commercial resettled farmers) in a recent meeting with visiting U.S. General Accounting Office (GAO) officials. And, the impact of the HIV/AIDS pandemic is well documented, with an estimated 800,000 orphans and many more child- and elderly-headed households no longer able to meet the physical rigors of agricultural cultivation without assistance this year.

10. The lack of economic incentive to grow maize for commercial markets, resulting from GOZ price controls on major food crops, will also inhibit production. Financing for agricultural production is also limited, as banks are hesitant to extend credit to farms under the threat of seizure and, in the case of the newly resettled farmers, to those who do not possess clear title to land. And, finally, trans-border migratory pests (e.g., armyworms and locusts), which tend to be worse following a drought, may also pose additional problems for agricultural production this year.

Commercial Farms

11. A limited number of the commercial farmers who have managed to maintain possession of their farms have been able to plant this year. Evidence of this is visible along some of Zimbabwe's major roadways, where maize crops planted in early October are now knee-high. Commercial farm plantings observed by OFDA include maize, wheat and tobacco. However, this productive use of commercial farmland is not widespread, with large areas of idle land prevalent throughout the prime agricultural areas of the country. An estimated 600 large commercial farmers have remained on the land and could plant this year; however, given continuing insecurity and other constraints, it remains unclear how many will actually do so. Even on those commercial farms that can plant, escalating fuel and seed costs, low producer prices and continuing security risks will likely limit the areas planted to major/controlled food crops. As a result, we can expect a continued slide in production this season in this sub-sector.

12. Similarly, crop production on resettled commercial farms is also expected to be low this year, as many resettled farmers have yet to take up their newly acquired properties and/or await finalization of proper "ownership" documentation. In addition, due to the constraints noted above, most resettled farmers do not have the resources to work these properties (many of which have been previously used as grazing land for livestock and, therefore, require extensive inputs for preparation for crop cultivation), at the same level as the prior commercial owners. For example, one former commercial farmer interviewed by OFDA reported that the settlers who took over his farm last year were only able to produce 11 tons on the same area that usually produced more than 100 tons of maize.

13. Although pastures are generally good, livestock herds have been decimated due to the commercial farm seizures. It is reported that the commercial herd has been reduced by two-thirds from 1.2 million to 400,000 over the past several years. The resettlement chaos has also resulted in significant additional losses in livestock and wildlife due to increased theft, poaching and disease outbreaks (e.g., foot-and-mouth, anthrax). The significant reduction in livestock herds will have a dramatic impact on the availability of meat and dairy products, which is already beginning to be felt.

Conclusions and Recommendations

14. Although it is still early in the season for any accurate predictions, Zimbabwe's agricultural outlook is mixed at best, and much will depend on the adequacy and distribution of rainfall in the coming months. However, even with sufficient rainfall the prospects for an adequate season are poor, given the plethora of land, fuel, tillage, labor, market, input and other production constraints noted above. The relief community is trying to fill the gaps, but even with the means, the shortages throughout the country are making this extremely difficult. The net result is another sub-standard harvest expected in April 2003.

15. The agricultural situation in Zimbabwe needs constant monitoring as the outcome will determine the food security situation and additional assistance needs for 2003. The agricultural recovery process should be expedited, and contingency plans for planting alternative crops put in place. Due to the difficulties of procuring seed - a situation which is expected to worsen considerably next year as a result of the effects of the resettlement program - NGOs should develop their plans and begin joint preparations for next season's agricultural requirements now. Sullivan